

## Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 EA-07 ISO-00 TRSE-00 FEA-01 COME-00

CEA-01 ERDA-05 AID-05 CIAE-00 CIEP-01 DODE-00 FPC-01

H-02 INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04

SAM-01 OES-06 SP-02 SS-15 STR-04 ACDA-07 NSCE-00

SSO-00 USIE-00 INRE-00 /103 W  
----- 029119

O 120959Z OCT 76

FM AMEMBASSY BERN

TO SECSTATE WASHDC IMMEDIATE 3330

INFO AMEMBASSY LONDON

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

AMEMBASSY OTTAWA

AMEMBASSY STOCKHOLM

AMEMBASSY MADRID

AMEMBASSY CANBERRA

USMISSION OECD PARIS IMMEDIATE

USMISSION EC BRUSSELS

C O N F I D E N T I A L BERN 4654

E.O. 11652: GDS

TAGS: ENER G SZ

SUBJ: PROPOSED CIEC COMMUNIQUE LANGUAGE FOR WORK OF THE  
ENERGY COMMISSION

REF: STATE 250119

1. EMBASSY RECEIVED FOLLOWING WRITTEN COMMENTS ON US PRO-  
POSAL CONTAINED REFTEL FROM MINISTER VON TSCHARNER, CHIEF,  
INTERNATIONAL ENERGY AFFAIRS, DIVISION OF COMMERCE.

2. BEGIN QUOTE: WE AGREE THAT IT WILL BE VERY IMPORTANT  
TO PRESENT A UNITED G-8 POSITION. SINCE MOST OF THE POINTS  
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COVERED BY THE US-DRAFT HAVE BEEN DISCUSSED AT LENGTH

BOTH WITHIN THE IEA AND THE G-8 WE HAVE NO BASIC DIFFICULTY WITH IT. INDEED WE THINK IT IS A VERY GOOD TEXT.

3. IN OUR OPINION, TOO, WHATEVER COMES OF THE BURROWS GROUP WILL HAVE TO BE USED AS A "QUARRY". IN OTHER WORDS, THE G-8 WILL MAKE ITS OWN JUDGEMENT ON HOW TO USE THIS MATERIAL IN THE NEGOTIATION. WE ALSO AGREE THAT WE MAY BE WELL ADVISED TO LET THE TEXT OF THE FINAL COMMUNIQUE FOLLOW THE PATTERN SET OUT IN THE WORK PROGRAMME (SUPPLY - PRICES - COOPERATION). WITHIN THIS FRAMEWORK WE WOULD LIKE THE TEXT TO MAKE A SOMEWHAT CLEARER DISTINCTION BETWEEN THE PURELY ANALYTICAL POINTS (ESTABLISHMENT OF FACTS), THE OBJECTIVES (OR PRINCIPLES) AND THE RECOMMENDATIONS FOR CONCRETE MEASURES (COOPERATION PROGRAMME). WE FULLY SHARE THE VIEW THAT THE RESPONSIBILITY OF OIL PRODUCERS FOR PROVIDING THE WORLD WITH A MAJOR PART OF THE ENERGY NEEDED THROUGH THE TRANSITION PERIOD HAS TO BE MORE CLEARLY STRESSED THAN IN THE LATEST BURROWS TEXT. IT WOULD NOT BE SUFFICIENT TO MERELY SAY THAT THE OIL PRODUCING COUNTRIES WILL "TAKE ACCOUNT" OF THE WORLD'S ENERGY REQUIREMENTS.

4. AS REGARDS PRICES WE ARE NOT YET CERTAIN WHETHER WE REALLY OUGHT TO ACCEPT THE NOTION THAT THE PRICE OF OIL SHOULD BE RESPONSIVE TO THE LEVEL OF COSTS OF EXISTING ALTERNATIVE SOURCES. HAVING REGARD TO THE COMPETITIVE CHARACTERISTICS OF OIL THIS CAN BE UNDERSTOOD AS A CLEAR INVITATION FOR FURTHER PRICE INCREASES. WE WILL HAVE TO DISCUSS THIS POINT ONCE MORE AMONG THE G-8. WE ALSO WONDER WHETHER THE MOST OBVIOUS FACT THAT THE PRICE OF OIL SHOULD BE RESPONSIVE TO THE STATE OF THE MARKET WILL NOT HAVE TO BE MENTIONED IN THIS CONTEXT. FINALLY, THE NECESSITY TO AVOID SUDDEN FLUCTUATIONS AND TO ACHIEVE SOME DEGREE OF PREDICTABILITY MIGHT ALSO USEFULLY BE CONSIDERED FOR INCLUSION. UNQUOTE.  
DAVIS

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## Message Attributes

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**To:** STATE  
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